Trade and Agriculture
What's at Stake for Nebraska?

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Nebraska is one of the leading producers of agricultural products and a major exporter. The State's farm cash receipts totaled $9.3 billion in 2002, and Nebraska ranked fourth among all 50 States with agricultural exports estimated at $3.1 billion. Agricultural exports help boost farm prices and income, while supporting about 46,190 jobs both on the farm and off the farm in food processing, transportation, and manufacturing. Exports are increasingly important to Nebraska's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 34 percent in 2002.

Nebraska's top five agricultural exports in 2002 were:

- live animals and red meats -- $930 million
- feed grains and products -- $779 million
- soybeans and products -- $565 million
- animal hides and skins -- $353 million
- feeds and fodders -- $182 million

World demand for these products is increasing, but so is competition among suppliers. If Nebraska's farmers, ranchers, and food processors are to compete successfully in the 21st century, they need *fair trade* and *more open access* to growing global markets.

Nebraska Benefits From Trade Agreements

Nebraska is already benefiting from a number of agricultural trade agreements. While there is much to be done, examples of market opportunities for Nebraska include:

- Nebraska, one of the nation's largest feed corn producers, benefited under the North American Free Trade Agreement when Mexico converted its import licensing system for corn to a transitional tariff-rate quota that will remain in effect until 2008. Under this system, the volume of U.S. corn exports to Mexico has risen over 42 percent since 1994, reaching 120 million bushels valued at $585 million in 2002. Under the Uruguay Round agreement, the Philippines converted its import ban on corn to tariffs. Since then, the United States has exported well over 1 million tons of corn to the Philippines.

- Nebraska benefited as some of the top international markets significantly reduced tariffs on chilled and frozen beef. In 2001, South Korea eliminated its import quotas on chilled and frozen beef, and will reduce its tariffs to 40 percent by 2004. Supported in part by these changes, South Korea's imports of U.S. beef rose from 60,000 tons valued at $227 million in 1994 to 213,000 tons worth $610 million in 2002. Under NAFTA, Mexico eliminated its 15-percent tariff on live slaughter cattle, its 20-percent tariff on chilled beef, and its 25-percent tariff on frozen beef. Its 20-percent tariff on beef offal was eliminated in 2003. Mexico has been one of the fastest growing markets for U.S. beef, supported in part by the elimination of tariffs. U.S. beef exports to Mexico rose from the 1993 pre-NAFTA level of 39,000 tons valued at $116 million to 207,000 tons valued at $596 million in 2002.